THE MINISTER OF CONSUMER AFFAIRS FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD YADAV): (a) to (c) In the Comptroller and Auditor General of India's Report No. 4 of 2003 (PSUs), it was observed that 2.91 lakh MTs of paddy (out of the paddy procured during the years 1997-98 to 2000-01) remained unmilled, being of sub-standard quality.

In this connection, the Food Corporation of India have stated that most of the unmilled paddy relates to the Kharif Marketing Seasons 1997-98 and 1998-99 when there were untimely torrential rains in the major paddy procuring States, which adversely affected the milling quality of the paddy lying in the threshing yards, mandies and procurement centres.

The FCI have since initiated disciplinary proceedings in respect of the erring staff responsible for improper management of the paddy stocks.

Abolition of sugar quotas

*272. DR. A.R. KIDWAI:
DR. T. SUBBARAMI REDDY:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether many more sugar mills of Maharashtra and Uttar Pradesh have demanded that the quota of sugar should go;

(b) if so, whether Maharashtra and Uttar Pradesh are still struk with the huge unsold stocks;

(c) if so, the steps Government are considering in this regard;

(d) whether Government are considering any proposal to further amend the Essential Commodities Act; and

(e) if so, by when a final decision in this regard is likely to be taken?

THE MINISTER OF CONSUMER AFFAIRS FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD YADAV): (a) to (e) The supply of sugar through the "regulated release" mechanism is controlled by the Government of India. No representation has lately been received from sugar mills of Maharashtra/Uttar Pradesh in respect of the said mechanism.

2. As on 30th June, 2003, the stocks of sugar in Maharashtra and Uttar Pradesh were 54.52 lakh tonnes and 31.27 lakh tonnes respectively, as against 54.11 lakh tonnes and 37.28 lakh tonnes respectively, on the corresponding date of the previous season.

3. Sugar stocks are disposed off through domestic sales under the monthly "regulated release" mechanism and through exports to promote which the Central Government have, *inter-alia*, taken the following steps:-

(i) Quantitative restrictions on export of sugar have been lifted;

(ii) Factories exporting sugar have been allowed exemption from levy on the quantity of sugar exported;

(iii) Adjustment in free sale stocks of sugar factories exporting sugar is being made at the end of 18 months from the date of export;

(iv) Duty Entitlement Pass Book (DEPB) benefit @4% on the f.o.b. value of exports has been allowed on exports of sugar;

(v) With effect from 21st June, 2002, the sugar factories have been allowed to claim reimbursement of expenditure incurred on internal transport and freight charges on export shipments of sugar;

(vi) With effect from 14th February, 2003, the sugar factories have been allowed neutralization of ocean freight disadvantage on export shipments of sugar @Rs. 350 per tonne.

4. The Essential Commodities Act, 1955 has recently been amended *vide* Notification dated 2nd June, 2003 to provide for effective implementation of "regulated release" mechanism.

Infotech pact with China

*273. SHRI VAYALAR RAVI:
DR. T. SUBBARAMI REDDY:

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Prime Minister while addressing a large gathering of industry and IT professionals in China, had proposed that the 2008 Olympic games in Beijing could provide a good opportunity for the Indian and Chinese Companies to work together;